

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 8, 2024

Company name: NIPPON CARBIDE INDUSTRIES CO.,INC.
 Stock exchange listing: Tokyo
 Stock code: 4064 URL <https://www.carbide.co.jp/>
 Representative: President Takahisa Sugiyama
 Director
 Executive Officer
 Inquiries: General Manager Yuichi Yokota TEL 03-5462-8224
 Corporate Planning Department
 Scheduled date to file Semi-annual Securities Report: November 11, 2024
 Scheduled date to commence dividend payments: December 6, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	23,370	9.5	1,263	162.7	1,381	34.5	847	7.7
Six months ended September 30, 2023	21,333	(8.5)	480	(55.0)	1,027	(41.0)	787	(42.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	91.09		-	
Six months ended September 30, 2023	83.71		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	62,548	36,805	55.4
As of March 31, 2024	61,020	34,623	53.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	-	30.00	-	50.00	80.00
Year ending March 31, 2025	-	40.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	40.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	50,000	15.7	2,300	170.8	2,600	65.3	1,400	40.0	150.40

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - Changes in accounting policies due to other reasons: No
 - Changes in accounting estimates: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	9,419,659 shares	As of March 31, 2024	9,419,659 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	105,532 shares	As of March 31, 2024	114,821 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	9,308,798 shares	Six months ended September 30, 2023	9,405,147 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	13,442	13,632
Notes and accounts receivable - trade, and contract assets	12,526	13,145
Merchandise and finished goods	4,699	5,236
Work in process	2,030	2,144
Raw materials and supplies	2,638	2,672
Other	566	612
Allowance for doubtful accounts	(183)	(208)
Total current assets	35,721	37,236
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,698	7,624
Machinery, equipment and vehicles, net	3,458	3,602
Land	10,610	10,641
Other, net	1,606	1,513
Total property, plant and equipment	23,374	23,381
Intangible assets	629	617
Investments and other assets		
Other	1,336	1,353
Allowance for doubtful accounts	(41)	(40)
Total investments and other assets	1,295	1,312
Total non-current assets	25,299	25,312
Total assets	61,020	62,548

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,537	6,184
Short-term borrowings	6,214	6,111
Income taxes payable	175	240
Provision for bonuses	622	637
Provision for bonuses for directors (and other officers)	32	10
Other	2,098	2,122
Total current liabilities	14,681	15,307
Non-current liabilities		
Long-term borrowings	4,943	3,591
Retirement benefit liability	3,720	3,741
Provision for retirement benefits for directors (and other officers)	22	19
Deferred tax liabilities for land revaluation	2,411	2,411
Other	616	673
Total non-current liabilities	11,714	10,435
Total liabilities	26,396	25,742
Net assets		
Shareholders' equity		
Share capital	7,797	7,797
Capital surplus	3,112	3,113
Retained earnings	13,298	13,681
Treasury shares	(212)	(195)
Total shareholders' equity	23,996	24,397
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49	42
Deferred gains or losses on hedges	0	(0)
Revaluation reserve for land	5,342	5,342
Foreign currency translation adjustment	3,333	4,905
Remeasurements of defined benefit plans	(90)	(24)
Total accumulated other comprehensive income	8,634	10,264
Non-controlling interests	1,992	2,143
Total net assets	34,623	36,805
Total liabilities and net assets	61,020	62,548

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	21,333	23,370
Cost of sales	15,093	16,246
Gross profit	6,239	7,124
Selling, general and administrative expenses	5,758	5,860
Operating profit	480	1,263
Non-operating income		
Interest income	107	108
Dividend income	14	11
Foreign exchange gains	426	19
Other	125	86
Total non-operating income	673	226
Non-operating expenses		
Interest expenses	36	42
Electricity sale expenses	32	25
Other	58	40
Total non-operating expenses	127	108
Ordinary profit	1,027	1,381
Extraordinary income		
Gain on sale of investment securities	206	–
Total extraordinary income	206	–
Profit before income taxes	1,233	1,381
Income taxes - current	254	353
Income taxes - deferred	94	23
Total income taxes	349	376
Profit	884	1,005
Profit attributable to non-controlling interests	97	157
Profit attributable to owners of parent	787	847

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	884	1,005
Other comprehensive income		
Valuation difference on available-for-sale securities	(122)	(11)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	1,402	1,620
Remeasurements of defined benefit plans, net of tax	16	67
Total other comprehensive income	1,296	1,675
Comprehensive income	2,181	2,680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,006	2,477
Comprehensive income attributable to non-controlling interests	174	202

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,233	1,381
Depreciation	969	940
Increase (decrease) in retirement benefit liability	51	46
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	(3)
Increase (decrease) in provision for bonuses	(0)	12
Increase (decrease) in provision for bonuses for directors (and other officers)	(21)	(21)
Increase (decrease) in allowance for doubtful accounts	23	5
Interest and dividend income	(121)	(120)
Interest expenses	36	42
Loss (gain) on sale of investment securities	(206)	–
Decrease (increase) in trade receivables	(105)	(237)
Decrease (increase) in inventories	218	(226)
Increase (decrease) in trade payables	(214)	427
Other, net	(56)	(267)
Subtotal	1,810	1,979
Interest and dividends received	124	91
Interest paid	(36)	(43)
Income taxes paid	(422)	(304)
Net cash provided by (used in) operating activities	1,476	1,722
Cash flows from investing activities		
Payments into time deposits	(910)	(345)
Proceeds from withdrawal of time deposits	750	934
Purchase of property, plant and equipment	(2,410)	(482)
Proceeds from sale of property, plant and equipment	0	–
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	469	11
Other, net	(7)	(17)
Net cash provided by (used in) investing activities	(2,108)	99
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,600	(50)
Repayments of long-term borrowings	(1,775)	(1,405)
Dividends paid	(328)	(465)
Other, net	(79)	(122)
Net cash provided by (used in) financing activities	415	(2,042)
Effect of exchange rate change on cash and cash equivalents	627	927
Net increase (decrease) in cash and cash equivalents	411	706
Cash and cash equivalents at beginning of period	9,821	12,057
Cash and cash equivalents at end of period	10,232	12,764